

Message Text

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R 022211Z MAY 74
FM SECSTATE WASHDC
TO AMEMBASSY SAIGON
INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMCONSUL DANANG
AMCONSUL NHA TRANG
USDEL JEC PARIS
AMCONSUL HONG KONG
USSAGE
CINCPAC
COGARD
XMT AMEMBASSY SUVA
AMEMBASSY RANGOON

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COGARD POLAD

E.O. 11652: N/A
TAGS:PFOR, XC, US
SUBJECT:MAY 2 EA PRESS SUMMARY

INDOCHINA

1. SAIGON COMMAND DENIES INCURSIONS INTO CAMBODIA
BUT MIL SOURCES AND FIELD REPORTS SAY SVN INFANTRY
AND ARMOR CROSSED BORDER AT TWO POINTS (WP).
TROOPS IN FIELD TELL NEWSMEN THAT STRIKES LAUNCHED
TO CUT NVN SUPPLY LINES AND TO SILENCE BIG GUNS.
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IF TRUE, ACCORDING AP, INCURSIONS WOULD BE C-F
VIOLATIONS. TROOPS SAY ONE RAID TOOK PLACE
CLOSE TO HIGHWAY 1 ABOUT 35 MILES NW OF SAIGON,
AND ABOUT 400 RANGERS BACKED BY TANKS FOUGHT FIERCE

BATTLE AGAINST NVA 5TH DIV. FOR TWO DAYS, KNOCKING OUT TWO TANKS. DEPTH OF PENETRATION NOT KNOWN BUT BELIEVED TO BE ONLY FEW MILES. MIL SOURCES SAY SVN INFANTRY AND ARMOR ALSO CROSSED FRONTIER ABOUT 50 MILES WEST OF SAIGON AND WENT 2-1/2 MILES INTO CAMBODIA TO RAID NVN GUN POSITIONS THAT BOMBARDED GVN OUTPOSTS, THEN WITHDREW (AP NYT, SUN, PHINQ). MIL SOURCES SAY RAIDS MADE IN "HOT PURSUIT" OF NORTH VIETS (AP, NYT).

2. MIL SOURCES SAY ARVN STARTS DIVISION-SIZE OPERATION ON VN SIDE OF BORDER TO RELIEVE DUC

HUE CAMP, UNDER SIEGE FOR MONTH (AP NYT, SUN, PHINQ). SAIGON COMMAND SAYS MORE THAN 300 NVA AND 35 ARVN KIA IN THREE DAYS OF FIGHTING ALONG BORDER. 4000 CIVILIANS REPORTEDLY FLEE VILLAGE NEAR FRONTIER 50 MILES WEST OF SAIGON WHEN BOMBARDED BY HUNDREDS OF NVN SHELLS; SVN OFFICIALS ESTIMATE OVER 300 HOMES DESTROYED OR DAMAGED (AP, NYT).

3. MCARTHUR (LAT 4/28) FROM SAIGON TELLS OF MIL INVESTIGATION THAT MAY BE FIRST MAJOR GVN EFFORT TO CURB BRASS-SMUGGLING THAT OVER YEARS MAY HAVE COST GOVT. "HUNDREDS OF MILLIONS" OF DOLS. SCRAP BRASS FROM SHELL CASINGS AND OTHER MIL GEAR REMAINED TECHNICALLY IN POSSESSION OF US ARMY DURING WAR BUT VAST AMOUNT "LEAKED" OUT. SOME US OFFICIALS ESTIMATE THAT 40,000 TONS IS HIDDEN AWAY IN SVN, WORTH ABOUT 80 MILLION. PRESENT INVESTIGATION STARTED WHEN LAT STORY OF SEPT. 14, FROM DISGRUNTLED GVN SOURCES, DOCUMENTED FACT THAT CARGO PAPERS OF US CONTAINERSHIP BEAUREGARD WERE FALSE, WITH EVIDENT KNOWLEDGE OF DA NANG CUSTOMS OFFICIALS. SHIP MADE "ALMOST SLAPSTICK" DEPARTURE DESPITE ATTEMPT BY GVN CUSTOMS TEAM TO STOP IT. GVN OPENED INVESTIGATION AND RECENTLY US EMBASSY OFFICIALS CONFIRMED THAT CAPTAIN ADAMS OF BEAUREGARD TAKEN INTO CUSTODY WHEN UNCLASSIFIED

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SHIP HIT SAIGON ON APRIL 21. COMPANY OFFICIALS "TACITLY" ADMIT THAT SHIP HAD ILLEGAL BRASS ABOARD WHEN IT LEFT DA NANG, BUT SAY CAPTAIN DID NOT KNOW. ADAMS NOW RELEASED BUT PASSPORT HELD AND HE IS COOPERATING AS MATERIAL WITNESS AS GVN INVESTIGATION CONTINUES. MCARTHUR SEES BEAUREGARD AFFAIR AS "VERY SMALL POTATOES"; COMMENTS THAT IT REMAINS TO BE SEEN IF THE MIL INVESTIGATION WILL GO INTO SVN CUSTOMS SERVICE WHICH FOR YEARS HAS BEEN "ALMOST OPEN SCANDAL." SO FAR A DOZEN OR SO DA NANG OFFICIALS SUSPENDED, ALL "RELATIVELY SMALL FRY."

4. DOS SPOKESMAN HARE ACKNOWLEDGES THAT NVN IN PARIS

DELIVERED NOTE ON APRIL 25 DENOUNCING "US MILITARY INVOLVEMENT AND INTERFERENCE/ IN SVN INTERNAL AFFAIRS. HARE SAYS NOTE BEING STUDIED BUT NO DECISION MADE YET ON REPLY (AP, NY POST 5/1).

5. NVN NEWS AGENCY ANNOUNCES THAT MINISTERS OF LABOR AND FOR POWER AND COAL WERE RELIEVED AND WOULD ASSUME "OTHER FUNCTIONS". NEITHER REASONS FOR DROPPING NOR NEW FUNCTIONS DISCLOSED (REUTER, CSM).

6. FIGHTING INCREASES SHARPLY NEAR PREY VENG, 30

MILES EAST OF PP, WHERE GKR FORCES CLAIM TO HAVE KILLED 108 REBELS IN AMBUSH AT COST OF SEVEN GOVT. TROOPS KIA. REBELS ALSO FIRE 30 SHELLS INTO PROVINCE CAPITAL (WP).

7. AP SAIGON REPORTS AMB. MARTIN "ADMITTED" - AFTER AP PHOTOS SHOWED SVN TROOPS LOADING HANDCUFFED VIETNAMESE ABOARD - THAT AIR AMERICA PLANE CARRIED NVN TROOPS CAPTURED THIS WEEK IN BATTLE NEAR DELTA TOWN OF MOC HOA. AMB. SAID HE AUTHORIZED TRANSPORT OF WOUNDED NORTH VIETNAMESE AT GVN REQUEST FOR HUMANITARIAN REASONS, BUT SAID HE DIDN'T KNOW OTHER POWS WOULD BE ADDED TO FLIGHT. HE DENIED ACTION WAS VIOLATION OF C-F AGREEMENT.

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8. REUTER PEKING NOTES THAT NCNA, IN LIST ISSUED THURSDAY OF PRC LEADERS AT MAY DAY CELEBRATIONS, REPORTED LI TEH-SHENG ATTENDED FESTIVITIES IN SHENYANG, HIS FIRST REPORTED PUBLIC APPEARANCE IN SEVERAL MONTHS. SUN'S WU, IN HK, SAYS RADIO PEKING'S LIST OF LEADERS PARTICIPATING IN CAPITAL'S FESTIVITIES "IMPARTED AN INTACT APPEARANCE OF THE CENTRAL HIERARCHY" DESPITE RUMBLES OF LIN-CONFUCIUS CRITICISM WHICH HAVELED TO SPECULATION OF LEADERSHIP CONFLICT. NOTES RADIO PEKING'S COMMENTARY EMPHASIZED ATMOSPHERE OF MILITANT UNITY AND ALSO STRESSED PRODUCTION AND PREPAREDNESS AGAINST WAR AND NATURAL DISASTERS.

9. JOC'S NAMBEIL REPORTS CONCLUSION OF US RETAIL MERCHANTS BACK FROM CANTON FAIR THAT TAKING TRADE MISSIONS TO PRC IS WRONG APPROACH; "SPONSOR A CHINESE MISSION TO YOUR COMMUNITY," ONE ADVISED. RETAILERS EXPLAIN THAT CHINESE, WHOSE NEGATIVE BALANCE OF PAYMENTS WITH WEST HAS BEEN STAGGERING, HAVE MORE TO LEARN ABOUT WESTERN CONSUMER MARKETPLACE THAN WEST HAS TO LEARN ABOUT BUSINESS CONDITIONS IN CHINA. REPEATERS AT CANTON FIND THEY ARE PURCHASING LESS AND LESS WITH

EACH TRIP, BECAUSE VERY FEW NEW PRODUCTS ARE INTRODUCED. GROUP FELT PRC BALANCE OF PAYMENTS PROBLEM WILL GROW WORSE UNLESS PEKING LEARNS SIMPLE LESSONS IN WESTERN CONSUMERISM; FURTHERMORE, CANTON FAIR IS PROVING TOO CUMBERSOME TO ACCOMMODATE CHINA'S MORE ACTIVE PARTICIPATION IN WORLD MARKETPLACE.

10. JOC'S STRAUSS, IN HK, CITES TRAVELLERS FROM CANTON SAYING US BUSINESSMAN AND WIFE VISITING FAIR HAD THEIR

CAMERA FILM CONFISCATED - IN HOTEL ROOM AT NIGHT - IN FIRST INCIDENT OF ITS KIND THERE INVOLVING AMERICANS. COUPLE'S OFFENSE SEEMINGLY WAS IN WIFE'S PHOTOGRAPHING HUSBAND BUYING SHOES AT DEPARTMENT STORE; APPARENTLY, SHE DID NOT ASK PERMISSION, AND STORE CLERK OBJECTED TO BEING PHOTOGRAPHED IN THAT ATTITUDE. FILM WAS RETURNED TO COUPLE - ALSO AT NIGHT - AND OFFENDING SHOT RIPPED IN PIECES BEFORE THEIR EYES. MEANWHILE, UNCLASSIFIED

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CANTON REPORTS INDICATE BUSINESS GOING EXTREMELY SLOWLY; MANY EXPERIENCED FAIR-GOERS PREDICTING IT WILL NOT REACH EXPECTED 30,000 FOREIGN VISITORS.

11. CSM'S MORITZ IN BOSTON NOTES DIFFICULTIES THAT MANY OF ESTIMATED 300 BUSINESSMEN REPRESENTING SOME 120 US COMPANIES MUST OVERCOME WHILE SHOPPING AT CANTON FAIR. FOR MANY PRODUCTS, CHINESE HAVE NOT YET COME UP WITH SUITABLE PACKAGING, VOLUME DISCOUNTS, CONTINUITY OF SUPPLY, AND PRICES LOW ENOUGH TO BE COMPETITIVE IN "FREE-WHEELING" US MARKET, ACCORDING BOSTON AREA IMPORTER DANA ROBINSON. CONTRARY TO WIDELY-HELD VIEW, US TARIFF DISCRIMINATION AGAINST PRC PRODUCTS IS NOT MAJOR BARRIER TO LARGER US IMPORTS, ROBINSON MAINTAINS. MORITZ SAYS STUDIES CITED BY NICHOLAS LUDLOW OF NCUST SUPPORT ROBINSON; THAT GRANTING PEKING MFN TREATMENT WOULD BOOST US IMPORTS FROM CHINA 15-20 PERCENT, BUT END OF TARIFF DISCRIMINATION PLUS IMPROVED CHINESE MARKETING PRACTICES COULD MORE THAN DOUBLE CHINA'S SALES TO US. MORITZ SAYS CANTON'S NEWLY-FINISHED TRADE BUILDING WITH ITS VARIED FACILITIES IS EVIDENCE PRC STILL WANTS EXPANDED EXPORTS, DESPITE OCCASIONAL ANTI-WESTERN HINTS IN ANTI-LIN, ANTI-CONFUCIUS CAMPAIGN. OBSERVES THAT MORE AMERICANS THAN EVER ARE ATTENDING FAIR, AND MAINTAINS THERE IS GENERAL AGREEMENT THAT CHINESE WANT MORE US CUSTOMERS TO OFFSET WHOPPING TRADE IMBALANCE.

12. CHITRIB'S GRIFFIN, IN OTTAWA, REPORTS DETAILS GIVEN BY GOC OFFICIALS OF AGREEMENT REACHED WITH PRC PERMITTING 9,000 CHINESE TO JOIN RELATIVES LIVING IN CANADA. EMIGRATION APPROVAL WILL BE GIVEN FOR

FAMILY REUNIFICATION ONLY -- PRC NOT EXPECTED BY CANADIANS
TO ACCEPT ANY APPLICATIONS BY CHINESE INDIVIDUALS.
GOC OFFICIAL SAID FAMILY REUNIFICATION ARRANGEMENTS
HAVE BEEN VERY DIFFICULT QUESTION IN NEGOTIATIONS

WITH PEKING.

13. BRITAIN NAMES OLD CHINA HAND EDWARD YOUDE AMBASSADOR
TO PRC. YOUDE IS NOW DEPUTY UNDERSECRETARY OF STATE
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AT FOREIGN OFFICE FOR ASIAN AFFAIRS (NYPOST MAY 1).

HONG KONG

14. HK'S DEPUTY DIRECTOR OF COMMERCE AND INDUSTRY
DEPARTED WEDNESDAY FOR NEGOTIATIONS IN US ON COLONY'S
CURRENT TEXTILE EXPORT RESTRAINT AGREEMENT (REUTER,
WP).

JAPAN

15. SEN. JAVITS, SPEAKING AT START OF HEARINGS ON
JAPAN-US FRIENDSHIP ACT, DECLARES US HAS BEEN TAKING
ITS SPECIAL RELATIONSHIP WITH JAPAN TOO MUCH FOR GRANTED
IN PAST SEVERAL YEARS, AND MUST NOW FORGE NEW SET
OF TIES BASED ON JOINT ACTION TO MEET NATIONS' RESPONSIBILITIES (UPI MAY 1).

16. PAN AM WILL MAKE CASH PAYMENT OF 1.2 MILLION
YEN AS "SYMPATHY MONEY," OVER AND ABOVE ANY COMPENSATION
AGREED UPON LATER, TO FAMILIES OF 29 JAPANESE KILLED
IN APRIL 22 JETLINER CRASH ON BALI -- BUT ONLY IF
VICTIMS WERE JAPANESE. PAN AM SPOKESMAN SAYS AIRLINE
IS ONLY FOLLOWING LEAD OF OTHERS, INCLUDING JAL.
BUT REUTER (TOKYO) NOTES JAL DECIDED TO PAY "CONDOLENCE
GRANTS" TO FAMILIES OF ALL VICTIMS, INCLUDING NONJAPANESE,
OF TWO CRASHES IN 1972 (IN NEW DELHI AND MOSCOW)
FOLLOWING HEAVY CRITICISM WHEN GRANTS INITIALLY WERE
PAID JAPANESE ONLY.

17. NISSAN REPORTS ITS 6-MONTH EARNINGS THROUGH MARCH
31 FELL 43 PERCENT BECAUSE OF HIGHER RAW MATERIAL
COSTS AND SLUMP IN DOMESTIC AUTO SALES AS RESULT OF
OIL CRISIS. FIRM POSTPONES ROTARY-ENGINE CAR FOR
'75, CITING REPORTS OF POOR FUEL ECONOMY (WSJ, CHITRIB).

KOREA

18. WP'S OBERDORFER, IN SEOUL, REPORTS SEVENTH ANNUAL
PRESIDENTIAL PRAYER BREAKFAST WAS HELD WEDNESDAY WITHOUT
SOME OF COUNTRY'S LEADING CHRISTIANS. SOME STAYED

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AWAY IN PROTEST AGAINST PARK'S INCREASINGLY REPRESSIVE POLICIES, WHILE OTHERS WHO RECENTLY PROTESTED MORE OUTSPOKENLY WERE IN PRISON AND INTERROGATION CENTERS. FETE FEATURED NO FORMAL REFERENCE TO HEIGHTENED CHURCH-

GOVT. CONFRONTATION, NOR TO RECENT WAVE OF ARRESTS SAYS OBERDORFER, BUT ONE "USUALLY INFORMED" SK POLITICAL

LEADER SAID ABOUT 20 CHRISTIAN CHURCH LEADERS ARE IN PRISON OR INTERROGATION CENTERS ALONG WITH AS MANY AS 2,000 STUDENTS.

INDONESIA

19. SECOND NEW PAPER ALLOWED BY GOI SINCE IT BANNED TEN DAILIES AND WEEKLIES DURING STUDENT-INITIATED RIOTS EARLY THIS YEAR APPEARED IN JAKARTA THURSDAY: ENGLISH-LANGUAGE DAILY, "THE INDONESIA TIMES." PAPER IS SIMILAR IN FORMAT TO OLD "JAKARTA TIMES," ONE OF BANNED PUBLICATIONS (REUTER, JAKARTA).

SINGAPORE

20. ANTONIONI'S CHINA DOCUMENTARY BANNED IN SINGAPORE, PRESUMABLY AS GESTURE TO PEKING (WP).

AUSTRALIA

21. NYT REPORTS DEATH FROM PNEUMONIA OF LEADING PUBLISHER-YACHTSMAN SIR FRANK PACKER, WITH LENGTHY OBIT CITING AMBASSADOR RICE'S INTERVENTION IN DISPUTE OVER CONTROVERSIAL NY YACHT CLUB RULING AGAINST AUSSIE ENTRY IN 1970 AMERICA'S CUP RACE.

PACIFIC TERRITORIES

22. ON-OFF RETURN OF 360 PEOPLE OF BIKINI ATOLL, FORMER US ATOMIC TEST SITE, TO THEIR FORMER HOMES HAS BEEN POSTPONED INDEFINITELY, ACCORDING SAIPAN OFFICIALS. ANNOUNCEMENT FOLLOWS STATEMENT FROM FORMER RESIDENTS -- EXILED FOR 25 YEARS -- THAT THEY WILL
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NOT RETURN UNTIL US AGREES TO MAKE 3 MILLION DOL EX GRATIA PAYMENT (REUTER, SAIPAN).

23. CSM'S SCHMIDT SAYS US IS WELL ON WAY TO BECOMING ONLY MAJOR COUNTRY TO ACQUIRE NEW SOVEREIGN TERRITORY

SINCE WWII -- MARIANAS, AS COMMONWEALTH. CITES DISCUSSIONS UNDER WAY ABOUT CONVERTING PART OF TINIAN INTO AIR BASE THAT PRESUMABLY WOULD PROVE ECONOMIC ASSET THERE AND TO NEIGHBORING ISLANDS. "FORTUNATELY" FOR USAF, NO SIGNIFICANT OPPOSITION TO HAVE PROJECT THOUGH IT WOULD REQUIRE RESETTLEMENT OF SOME FARMERS. BY SEEKING COMMONWEALTH STATUS, MARIANAS FOLLOWING DIFFERENT

PATH FROM REST OF MICRONESIAN ISLANDERS, WHO HAVE BEEN MEETING WITH US OFFICIALS IN PURSUIT OF STATUS DESCRIBED AS "FREE ASSOCIATION".

COMMENT AND ANALYSIS

VIETNAM

24. LAT'S ELEGANT (APRIL 28), ON SPECIAL ASSIGNMENT IN SAIGON, FINDS SHAPE OF CONFLICT QUITE DIFFERENT FROM THAT ORIGINALLY EXPECTED. COMMUNISTS ARE CONCENTRATING ON CONSOLIDATING POSITIONS AND MAKING PRG "RESPECTABLE" IN INTERNATIONAL EYES, THUS CREATING "THIRD VIETNAM." INDICATIVE OF LATTER, HANOI REJECTED RECOGNITION BY SEVERAL COUNTRIES BECAUSE THEY WOULD NOT SIMULTANEOUSLY RECOGNIZE PRG; ALSO, GOODS ARE SHIPPED FROM NVN FOR REEXPORT FROM COMMUNIST-CONTROLLED PORT OF DONG HA TO GIVE PRG THE ASPECT OF AN INTERNATIONAL TRADING NATION. ALSO CONTRARY TO EXPECTATIONS, GVN HAS BEEN AGGRESSIVELY CLAIMING "CONTESTED" AREAS FROM COMMUNISTS, AND DURING 13 MONTHS SINCE C-F, SAIGON HAS STRONGLY ASSERTED ITS PRIMARY INFLUENCE IN ESTIMATED 20 PERCENT OF SUCH AREAS, WITH RESULT THAT SAIGON'S PRIMARY INFLUENCE IN AREA AND POPULATION HAS INCREASED, WHILE HANOI'S DECREASED. BOTH SIDES ARE BESET WITH ECON DIFFICULTIES, BUT COMMUNISTS FACE GRAVER ECON PROBLEMS AND HAVE WARNED THEIR CADRES THAT THEIR STRENGTH MAY BE ERODED BY ATTRITION. THOUGH ECON SITUATION AROUSES GREAT UNCLASSIFIED

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CONCERN, RECENT PUBLIC OPINION POLL INDICATED THAT 73 PERCENT OF S VIETS BELIEVE GVN WILL STILL BE IN POWER YEAR FROM NOW; JUST YEAR AGO, SAME POLLSTERS FOUND ONLY 43 PERCENT HELD THAT VIEW.

SYSTEMATICALLY REINFORCING ITS TROOPS, BY JUNE HANOI WILL HAVE SOME 200,000 TROOPS IN SVN - MORE THAN WERE MOUNTED IN 1972 OFFENSIVE. BASED ON PRISONER INTERROGATION, INTERCEPTED ORDERS, TACTICAL DISPOSITIONS, AND HANOI'S PUBLIC EMPHASIS ON GIVING FIRST PRIORITY TO RECONSTRUCTION OF NVN, HOWEVER, IT SEEMS UNLIKELY THAT COMMUNISTS WILL REPEAT 1968 AND 1972 OFFENSIVES. MILITARY SITUATION APPEARS SLIGHTLY TILTED IN FAVOR OF S VIETS, WHO OUTNUMBER COMMUNISTS FIVE TO ONE.

MOST IMPORTANT (IF THERE IS TO BE NO MAJOR CONVENTIONAL FIGHTING) THE VC POLITICAL INFRASTRUCTURE IS SLOWLY WEAKENING, AS EVIDENCED BY FACT THAT TERRORISM AGAINST CIVILIANS IN 1973 WAS HALF THAT OF PREVIOUS YEAR. BOTH SIDES REGULARLY VIOLATE C-F, BUT NUMERICALLY

SUPERIOR ARVN HAS BECOME MUCH MORE AGGRESSIVE SINCE THIEU VIRTUALLY COMMANDED NEW "LAND GRABBING" ACTIONS IN JAN. COMMUNIST-INITIATED MIL ACTION IS AIMED PRIMARILY AT MAINTAINING THEIR HOLD AND CONSOLIDATING ROAD NET, BUT COMMUNISTS MAY ALSO HOPE TO GET US ECON AID. HINTS FROM COMMUNIST DIPLOMATS, AS WELL AS HANOI'S NEGOTIATING MOVES IN PARIS, INDICATE THAT N VIETS COULD WELL BE PLAYING FOR US AID. WITH NVN RECONSTRUCTION TAKING VERY DISTANT SECOND PLACE TO PRG, HANOI APPARENTLY RESIGNED TO TWO-TO-THREE-YEAR HOLDING ACTION DURING WHICH ITS SOUTHERN FORCES LIKELY TO BE WEAKENED BY WASTAGE, DEMORALIZATION, AND DESERTION. SIGNIFICANTLY, MOST DEFECTORS NO LONGER CLAIM DISILLUSIONMENT WITH COMMUNIST CAUSE; THEY SAY THERE IS JUST NO PROSPECT OF VICTORY. IN SAIGON-CONTROLLED AREAS, DIRE ECON SITUATION DOMINATES ALMOST ALL OTHER CONSIDERATIONS AND MANY S VIET FIGHTING MEN SUFFERING ACUTE MALNUTRITION. BUT SITUATION IN SVN, WHILE GRAVE, IS NOT DESPERATE YET. SAIGON DISTRACTED BY CONTINUED LOW-LEVEL FIGHTING, CANNOT CONCENTRATE ON ECON RECONSTRUCTION, AND WITHOUT MIL SECURITY, THERE CAN BE NEITHER FUNCTIONING ECONOMY UNCLASSIFIED

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NOR FUNCTIONING GOVT. REMARKABLY, POLITICAL RUMOR MILLS ARE ALMOST SILENT, LARGELY BECAUSE OF PREOCCUPATION WITH ECON CRISIS. MOREOVER, THIEU HAS CREATED RELATIVELY STABLE GOVT WITH LITTLE EFFECTIVE OPPOSITION. HE HAS ASSERTED HIS PRIMACY BY SHARP AND DUBIOUS POLITICAL PRACTICES, BUT HAS EMPLOYED SURPRISINGLY LITTLE PHYSICAL INTIMIDATION. CORRUPTION IS AGAIN GROWING WITH ECON DIFFICULTIES. BARRING ECON CATASTROPHE AND MASSIVE NVN CONVENTIONAL ATTACK, ELEGANT THINKS THIEU CAN REMAIN ALMOST INDEFINITELY.

CHINA

25. S-N'S BRADSHER (MAY 1) IN HK SEES PARALLELS EMERGING BETWEEN CURRENT POWER STRUGGLE IN CHINA AND THAT OF GPCR IN TERMS OF OVERALL OBJECTIVE (I.E., AGAINST REVERSION TO CAPITALISM) AND IN TACTICS USED. IN BOTH PERIODS, RADICAL LEFTISTS ASSOCIATED WITH CHIANG CHING SEEM TO LEAD THE ATTACK ON ESTABLISHED OFFICIALS AND THEIR POLICIES. IN GPCR, SLOGANS INSISTED THAT ONLY HANDFUL WERE "TAKING THE CAPITALIST ROAD" AND HAD TO BE ROOTED OUT, CREATING IMPRESSION THAT MAJORITY WAS ON RADICAL SIDE. THIS TIME, RADICALS BEGAN FROM

ADMITTED MINORITY POSITION, THEIR BATTLE CRY WAS NEW
MAO QUOTATION THAT "GOING AGAINST THE TIDE IS A MARXIST-
LENINIST PRINCIPLE." BUT AS THEY HAVE GOTTEN STRONGER,
THEY CLAIM THAT 95 PERCENT OF PEOPLE ARE WITH THEM

AGAINST SMALL NUMBER OF PERSONS SEEKING TO RESTORE

PRE-COMMUNIST WAYS.

WHEN GPCR GOT OUT OF CONTROL, PLA RESTORED ORDER
AND KEPT LARGE MEASURE OF POWER, THUS ROBBING RADICALS
OF POWER. NOW URBAN MILITIA IS APPARENTLY INTENDED
TO BE TOOL OF RADICALS WORKING THROUGH CP ORGANIZATIONS;
MILITIA MIGHT MAINTAIN CONTROL IF GOING GETS ROUGH,
THUS INSURING RADICAL GRIP ON POWER. NOTICEABLE
DIFFERENCE UP TO NOW IS THAT YOUTHS HAVE NOT BEEN
DIRECTLY INVOLVED THE WAY RED GUARDS WERE IN GPCR.
BASIC TENET OF GPCR WARNED AGAINST LETTING POLITICS
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INTERFERE WITH PRODUCTION, BUT CHAOS ENSUED; THE
SAME NOTE IS BEING SOUNDED AGAIN. ULTIMATE POSSIBLE
SIMILARITY, HOWEVER, REMAINS TO BE SEEN. GPCR RESULTED
IN PURGE OF LIU SHAO-CH'I, MAO'S CHIEF DEPUTY. SO
FAR, CHOU, MAO'S CURRENT DEPUTY, HAS NOT BEEN OPENLY
ATTACKED, BUT BRADSHER POINTS OUT THAT IT TOOK A
LONG TIME BEFORE LIU WAS DENOUNCED IN A CLEAR ENOUGH
MANNER TO MAKE THE FIRST PHASE CLEAR AND ANOTHER
TWO YEARS AFTER THAT BEFORE LIU FORMALLY LOST POWER.
IN SEEMINGLY ANTICLIMACTIC NOTE, BRADSHER SAYS, "PERHAPS
THE MOST BASIC PARALLEL OF ALL IS THAT THINGS ARE
GETTING VERY CONFUSED IN CHINA."

26. ON TAIWAN'S BREAKING AIR TIES WITH JAPAN IN
WAKE OF PRC-JAPANESE CIVIL AIR AGREEMENT, S-N (MAY
1) EXPRESSES VIEW THAT TANAKA GOVT. SHOULD HAVE NEGOTIA-
TED ITS DEAL WITH PEKING WITHOUT GOING SO FAR TO
SATISFY COMMUNISTS' DESIRE TO HUMILIATE CHIANG REGIME.
FACE-SAVING FORMULA SHOULD BE FOUND SOON TO RESTORE
USEFUL AND PROFITABLE AIR SERVICE.

AUSTRALIA

27. NYT SPECIAL FROM SYDNEY SAYS PERSONALITIES OF
PARTY LEADERS BEGINNING TO OVERSHADOW ISSUES IN AUSTRALIAN
ELECTION CAMPAIGN AND WHITLAM, DESPITE EVIDENT ARROGANCE
AND ABRASIVENESS, MAKES STRONGER IMPRESSION OF VIGOROUS
LEADERSHIP. SNEDDEN, IN EYES OF MANY COMMENTATORS,
HAS BEEN LESS EFFECTIVE IN PUBLIC PRESENTATIONS.
WHITLAM APPEARS TO HAVE WON SOME SYMPATHY FOR HIS
COMPLAINT THAT OPPOSITION OBSTRUCTION PREVENTED ALP
FROM CARRYING OUT PLATFORM ON WHICH IT WAS ELECTED,

BUT SOME VOTERS ALARMED BY RAPID-FIRE INTRODUCTION
OF CONTROVERSIAL LEGISLATION.

GENERAL

28. HEARST'S WALLACH (APRIL 23) CITES "TOP ADMINISTRATION
POLICYMAKER" THAT "BIG TEST" IS AT HAND OVER WHETHER
NVN WILL LIVE UP TO PARIS ACCORDS, WHICH PROVIDE FOR WITH-
DRAWAL FROM LAOS OF HANOI'S 50,000-MAN ARMY WITHIN
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60 DAYS OF FORMATION OF COALITION GOVT. SOURCE CONTENDED
THAT US HAS MADE PLANS TO REDUCE ITS MIL PRESENCE
FROM 200 TO 30 - ALL ADVISERS OR "ATTACHES". SOURCE,
AN "ADMINISTRATOR INVOLVED IN SOUTHEAST AND CENTRAL
ASIA POLICY" ALSO DISCLOSED THAT UNDER PRESENT CIRCUMSTANCES
ADMIN DOESN'T BELIEVE IT'S WORTH GOING TO CONGRESS
TO REQUEST RECONSTRUCTION AID FOR NVN; THAT AID TALKS
BETWEEN NVN AND US WERE BROKEN OFF LAST FALL AND HAVE
NOT BEEN RESUMED. SOURCE ALSO EXPRESSED VIEW THAT
NVN APPARENTLY DOES NOT INTEND TO LAUNCH MAJOR OFFENSIVE
THIS YEAR AGAINST SVN, CONCENTRATING INSTEAD ON REGROUPING
ITS FORCES; DECLARED THAT IF SVN DOES NOT GET THE
850 MILLION IN ADDITIONAL AID REQUESTED FOR THIS YEAR
ALONE, GVN WILL BE FACED WITH POTENTIAL ECON DISASTER
THAT COULD SERIOUSLY AFFECT THE MORALE AND FIGHTING
ABILITY OF ITS COMBAT TROOPS.

ON JAPAN, SOURCE SAYS PRES. NIXON NO LONGER CONSIDERING
JAPAN TRIP BEFORE FALL ELECTIONS; JAPANESE EMPEROR'S
VISIT TO US, ALSO HAS BEEN POSTPONED TO SOMETIME IN
1975. CONCERNING PRC, SOURCE REPORTS THAT CHINESE
PILOTS, WITH HELP OF USAF NAVIGATORS, EARLY APRIL
FLEW TWO RECENTLY-PURCHASED BOEING 707'S FROM CHINA
TO WASHINGTON AND NEW YORK; TRIPS WERE TEST FLIGHTS
FOR EVENTUAL US-PRC SERVICE. REFERRING TO DELAY OF
HK-BASED US CONSULS IN OBTAINING CHINESE VISAS AS
"INEXPLICABLE," CITES US OFFICIALS AS NOT BELIEVING
THAT INTERNAL CHINESE COMMUNIST PURGE HAS TURNED AGAINST
THE US (S.F. EXAMINER). RUSH

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Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUN 2005
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 OCT 2002 by shawdg>; APPROVED <02 JAN 2003 by kellerpr>; WITHDRAWN <13 Jun 2005 by BoyleJA, PRIVACY>; RELEASED <16 JUN 2005 by bryantcd>; APPROVED <16 JUN 2005 by schwenja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAY 2 EA PRESS SUMMARY
TAGS: PFOR, XC, US, CH, CA
To: SAIGON INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
BIEN HOA
CAN THO
DANANG
NHA TRANG

JEC PARIS
HONG KONG
USSAGE
CINCPAC
COGARD
XMT SUVA
RANGOON

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005